

TENNESSEE GENERAL ASSEMBLY  
FISCAL REVIEW COMMITTEE



FISCAL MEMORANDUM

SB 151 – HB 381

April 25, 2017

**SUMMARY OF ORIGINAL BILL:** Establishes registration, restraint, operational, and accident requirements for autonomous vehicles to operate on public roads and highways in Tennessee.

Creates the *Safe Automated Vehicles (SAVE) Act* in which motor vehicle manufacturers are eligible to participate in making automated driving system (ADS)-operated vehicles available to the public for operation on the public roads and highways of this state in a manner that is determined by the manufacturer that owns the vehicle and making an on-demand ADS-operated vehicle network available to the public.

Requires the Department of Revenue (DOR) to administer SAVE Act registration. Requires SAVE Act participants to report incident records and provide periodic summaries related to the safety of the participating fleet to the DOR, the Transportation and Safety Committee of the Senate, and the Transportation Committee of the House of Representatives.

Creates a Class A misdemeanor for operating a vehicle without a human located in the driver's seat.

FISCAL IMPACT OF ORIGINAL BILL:

Increase State Revenue - \$1,500/FY17-18/Department of Revenue  
\$3,000/FY18-19/Department of Revenue  
\$4,500/FY19-20/Department of Revenue  
\$6,000/FY20-21/Department of Revenue  
\$7,500/FY21-22 and Subsequent Years/Department  
of Revenue

Increase State Expenditures - \$1,500/FY17-18/Department of Revenue  
\$3,000/FY18-19/Department of Revenue  
\$4,500/FY19-20/Department of Revenue  
\$6,000/FY20-21/Department of Revenue  
\$7,500/FY21-22 and Subsequent Years/  
Department of Revenue

\$134,800/FY19-20/General Fund  
\$76,300/FY20-21 and Subsequent Years/General Fund

SB 151 – HB 381

**SUMMARY OF AMENDMENTS (007342, 007006, 007943):** Amendment 007342 deletes all language after the enacting clause. Creates the *Automated Vehicles Act* (AVA). Establishes registration, restraint, operational, and accident requirements for autonomous vehicles to operate on public roads and highways in Tennessee.

Allows ADS-operated vehicles to operate on the streets and highways in Tennessee. Requires ADS-operated vehicles to be registered in accordance with the laws set forth in Tennessee Code Annotated, title 55, chapter 4. Establishes instrument of insurance requirements on ADS-operated vehicles.

Creates a Class A misdemeanor for operating a vehicle without a human located in the driver's seat unless the provisions of the legislation are met.

Requires the Commissioner of the Department of Safety (DOS) and the Commissioner of the Department of Commerce and Insurance (DCI) to submit a report on ADS-operated vehicle insurance requirements to the Transportation and Safety Committee of the Senate and the Transportation Committee of the House of Representatives no later than February 1, 2021.

Amendment 007006 amends the bill as amended by amendment 007343 to: (1) require an ADS-operated vehicle to have an instrument of insurance, surety bond, or proof of self-insurance in the amount of at least \$5,000,000, (2) create a July 1, 2022 sunset provision on the \$5,000,000 insurance provision, and (3) require the Commissioner of the Department of Safety (DOS) and the Commissioner of the Department of Commerce and Insurance (DCI) to submit a report on ADS-operated vehicle insurance requirements to the Transportation and Safety Committee of the Senate and the Transportation Committee of the House of Representatives.

Amendment 007943 amends the bill as amended by amendments 007342 and 007006 to: (1) effectively delete all changes made by amendment 007006, (2) require an ADS-operated vehicle to have an instrument of insurance, surety bond, or proof of self-insurance in the amount of at least \$5,000,000, and (3) create a July 1, 2021 sunset provision on the \$5,000,000 insurance provision.

## **FISCAL IMPACT OF BILL WITH PROPOSED AMENDMENTS:**

### **NOT SIGNIFICANT**

Assumptions for the bill as amended:

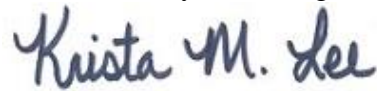
- Due to an uncertainty in the timing of automated vehicle technology advancements and its popularity with the public, it is unclear as to the extent an ADS will be made available and the extent to which automated vehicles will be prevalent on the roads and

highways of this state. It is reasonably assumed that autonomous vehicles and an ADS will be operated by the general public at a rate that gradually increases over time.

- It is reasonably estimated that the Department of Revenue can allow ADS-operated vehicles to be identified upon registration within existing resources.
- It is reasonably assumed that all vehicles will be operated with a human in the driver's seat. As a result, there will not be a sufficient number of Class A misdemeanor prosecutions for state or local government to experience any significant increase in revenue or expenditures.
- Based on information provided by the DOS, no additional resources will be required to fully comply with the provisions of the bill as amended. The DOS will gain a working knowledge of commercial motor vehicle federal regulations, crash investigations, and traffic and motor vehicle laws in both autonomous and traditional vehicles and develop autonomous vehicle policies used throughout the state within existing resources.
- According to the DOS, no future funding will be necessary when ADS-operated vehicles grow in popularity and become increasingly available over time.
- Any additional cost to prepare and submit a report on ADS-operated vehicle insurance requirements to the specified legislative committees is estimated to be not significant.

#### **CERTIFICATION:**

The information contained herein is true and correct to the best of my knowledge.

A handwritten signature in blue ink that reads "Krista M. Lee". The signature is written in a cursive, flowing style.

Krista M. Lee, Executive Director

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